



**Joint Finance Committee Hearing  
February 15, 2012**

# Economic and Budget Challenges



- Adapting to Reductions in Federal Programs
- Making Key Investments: Winning in the Turns
  - Reducing Energy Costs and Improving Air Quality
  - Providing Clean Water
  - Building Critical Infrastructure and Improving Preparedness
  - Restoring Critical Wildlife Habitat and Promoting Ecotourism
  - Supporting Healthy Families / No Child Left Inside

# Adapting to Federal Cuts



## ➤ U.S. Environmental Protection Agency

- » President's budget proposes 19.9% reduction in Clean Water State Revolving Fund (SRF) for water infrastructure
- » Other proposed reductions: Beach Protection (100%), Leaking Underground Storage Tanks (13%)



# Adapting to Federal Cuts



- U.S. Dept. of Interior
  - » Significant cuts proposed to State Wildlife Grants



- U.S. Dept. of Energy
  - » Significant cuts proposed to State Energy Program, low-income assistance programs, etc.

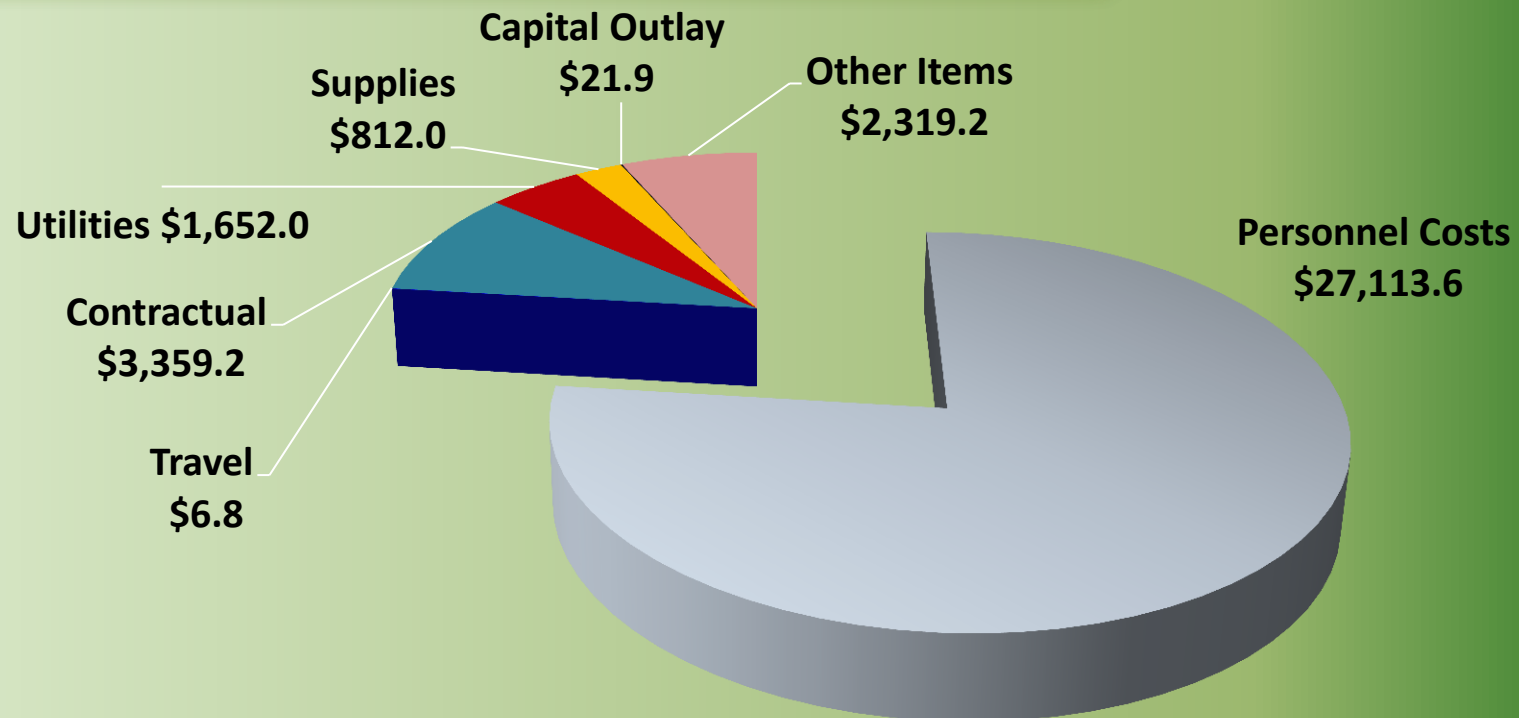


# FY2013 Recommended Operating Budget



- No growth General Fund Budget **\$35,284,700**
  - Personnel Cost Contingency from State Policy **\$425,900**
- Minor Structural Changes and FTE movements based on program assignments and funding sources
- Formalize existing Division of Energy and Climate

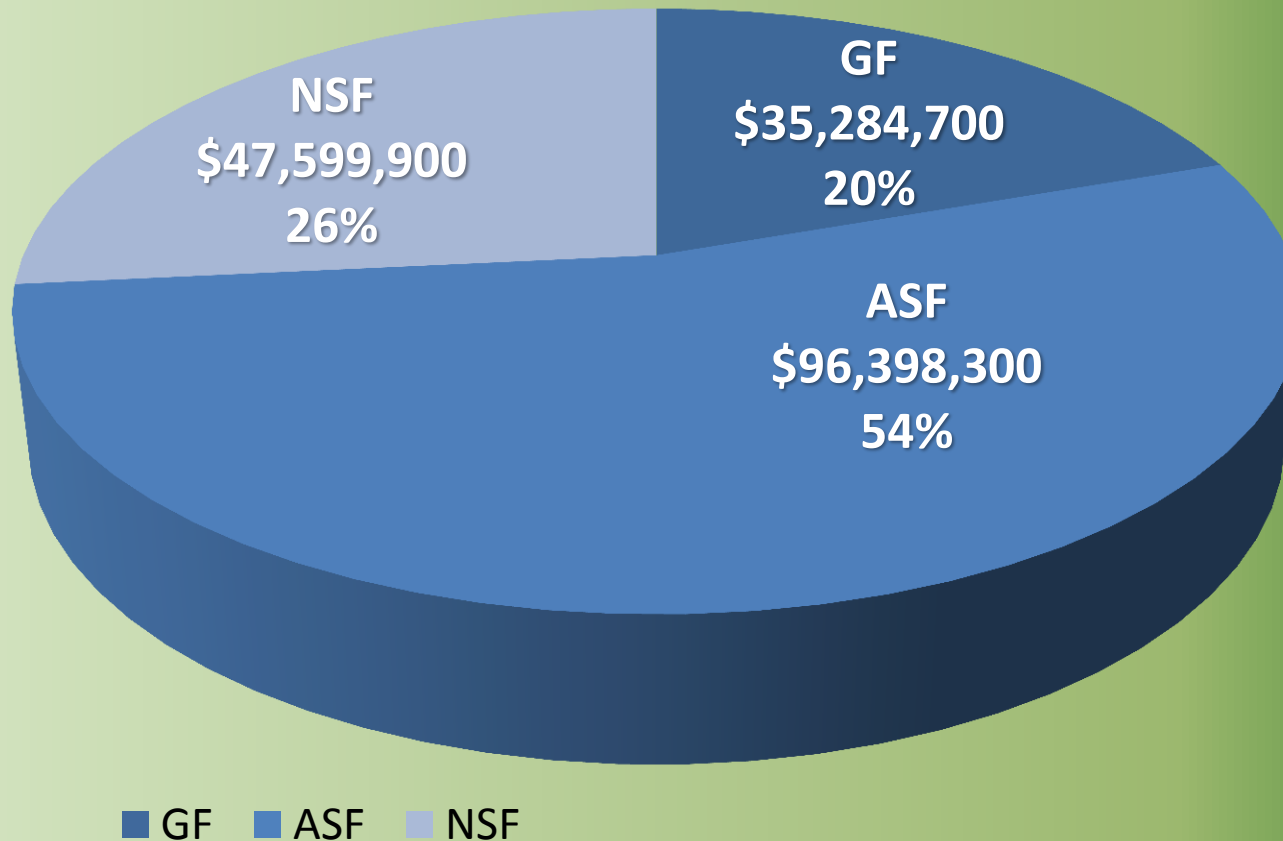
# Fiscal Year 2013 General Fund Recommended Budget: \$35,284,700



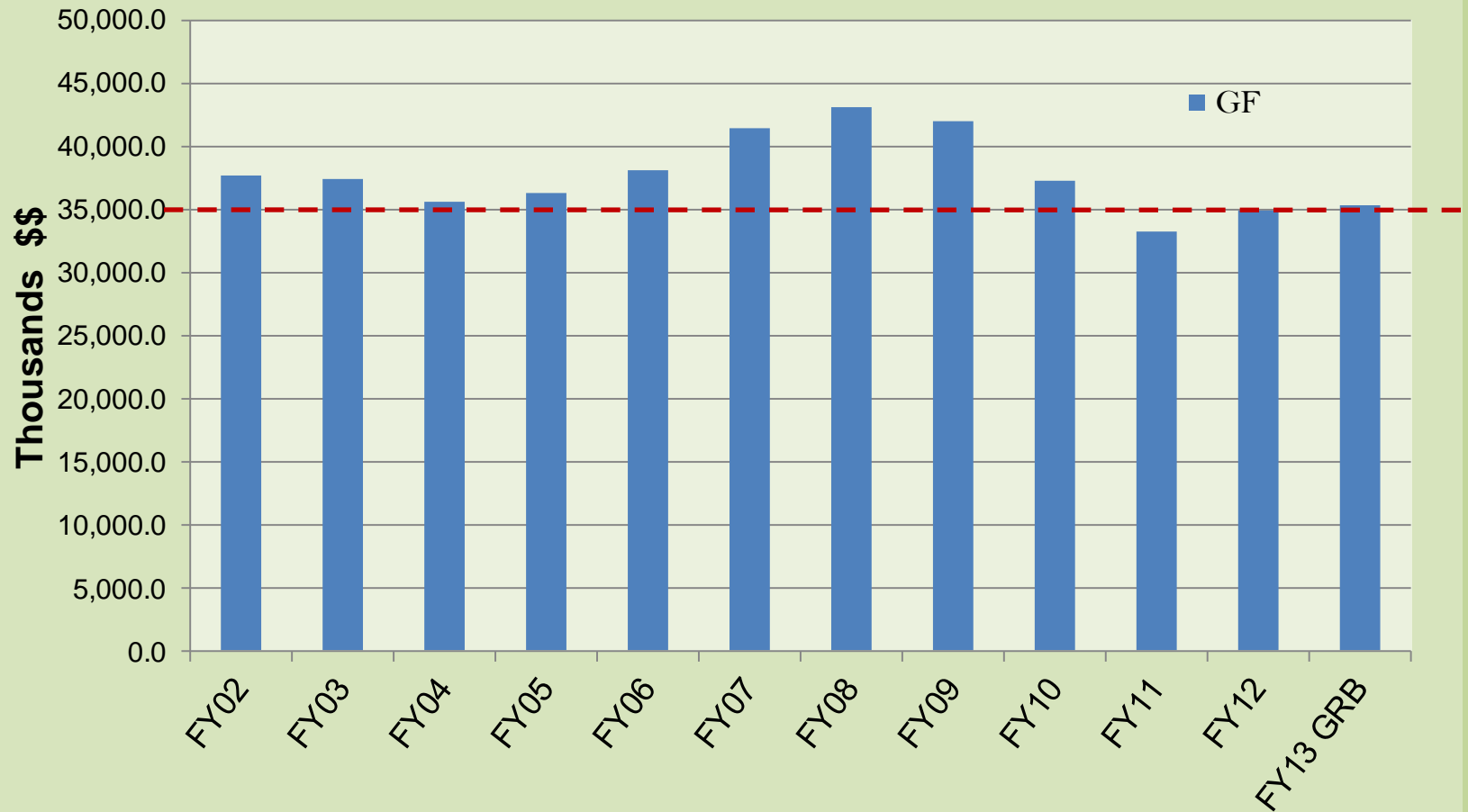
# Fiscal Year 2013 Recommended Budget



Total of All Funds: \$179,282,900

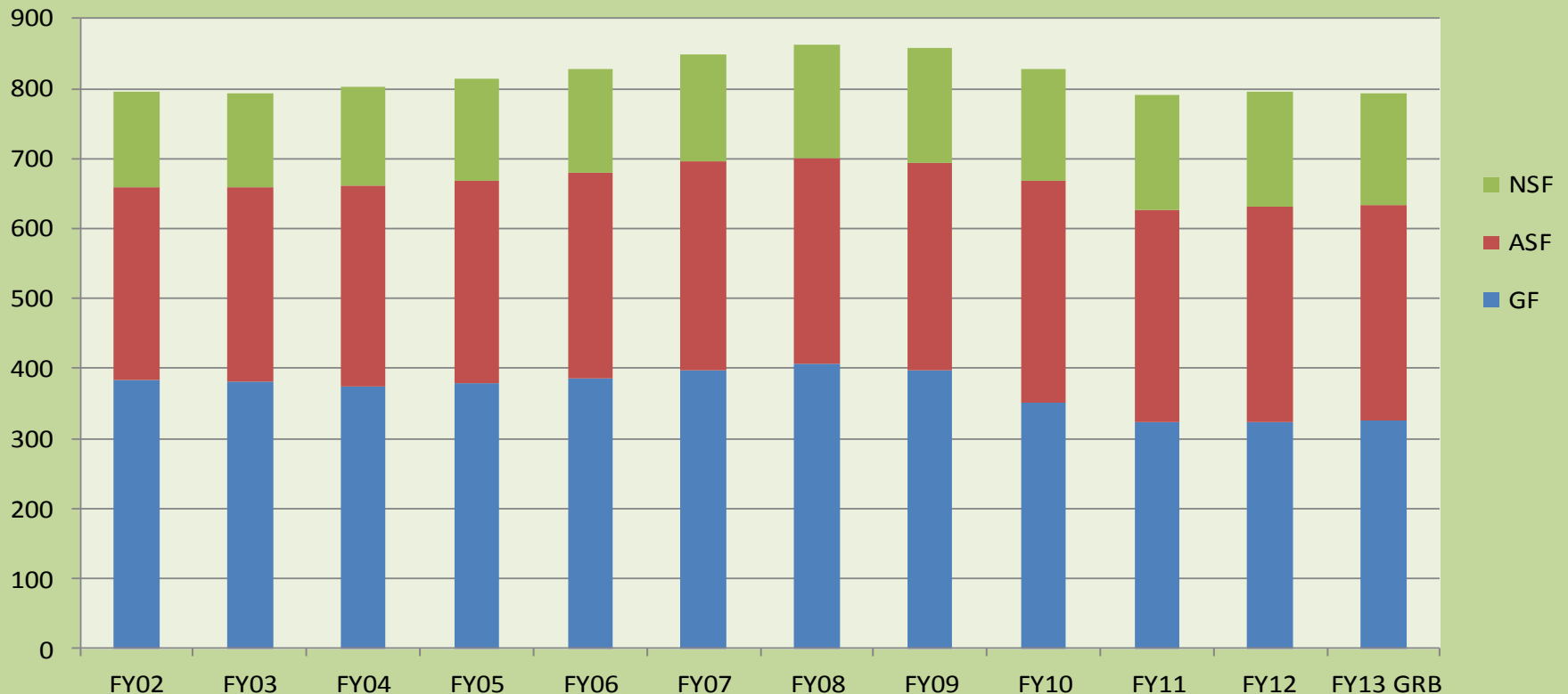


# DNREC GF Budget History



# Recommended FY2013 Budget

## DNREC Position History



**\* 717 of 794 FTE positions are currently filled in FY2012**

# Permitting Efficiencies



- **Permitting & Regulatory:** Meeting and exceeding Governor Markell's permitting turnaround targets providing predictable 15-day preliminary review and 60-day technical review for most applications:
  - Wetlands/Subaqueous: 2 day initial review; 97% technical review completed within 60 days for public notice
  - Wells: 90% issued within 30 days, 95% in 60 days
  - Small on-site septic: evaluations completed in <10 days
  - LEAN reviews to achieve reduced air permitting turnaround times of 50% (and eliminated backlog), reduced brownfield remediation process time by nearly 45%

# Permitting Efficiencies



## ➤ Permitting & Regulatory Improvements:

- Biannual review required by epilogue language
- Evaluating moving towards a “user-pays” or “cost-recovery” model to make permitting programs more self-sufficient
- Working to ensure permitting times remain efficient despite increasing salary costs and declining GF, NSF & unstable ASF
- Identifying opportunities for greater efficiency, particularly in programs with acute funding need or existing GF subsidies
- Most permit fees not changed since 1991

# Consolidation and Efficiencies



## More efficient operations:

- Office of Natural Resources and Office of Environmental Protection sharing resources to fulfill mission
- Financial consolidation to improve coordination and reduce costs
- Multimedia teams facilitating permitting of large facilities
- Improving user-friendliness of environmental/business data
- Laboratory coordination between DNREC and DHSS

# Consolidation and Efficiencies



## ➤ Fleet Management:

- Reduced fleet miles 68%+ (exceeding EO18 goal of 15%) – avg. weekly usage down from 62,334 in 2008 to 19,680 in 2011
- Pooling vehicles to establish sites statewide at field locations resulting in significant increase in internal use of vehicles and reducing the number of daily Fleet rentals
- Utilizing Fleet Services' partnership with Delaware Department of Corrections Prison Industries for vehicle maintenance on agency-owned assets, providing 60-65% cost avoidance on standard market services

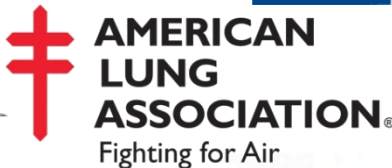
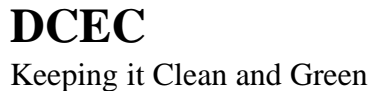
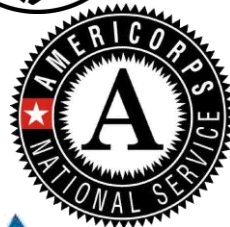
# Expanding Volunteerism



- 6,408 Volunteers provided ~150,000 hours of work in 2011 leveraging \$2.3m in federal funds.



# Strengthening Key Partnerships



# Making Critical Investments in Every Community

Delaware.gov | Text Only

Governor | General Assembly | Courts | Elected Officials | State Agencies



First select:

- a Senate District -

District 1 - Rep Dennis P Williams

Choose one of the following map themes:

Energy

☒ Conservation

Recreation

Drainage

**Investments**  
Open Space



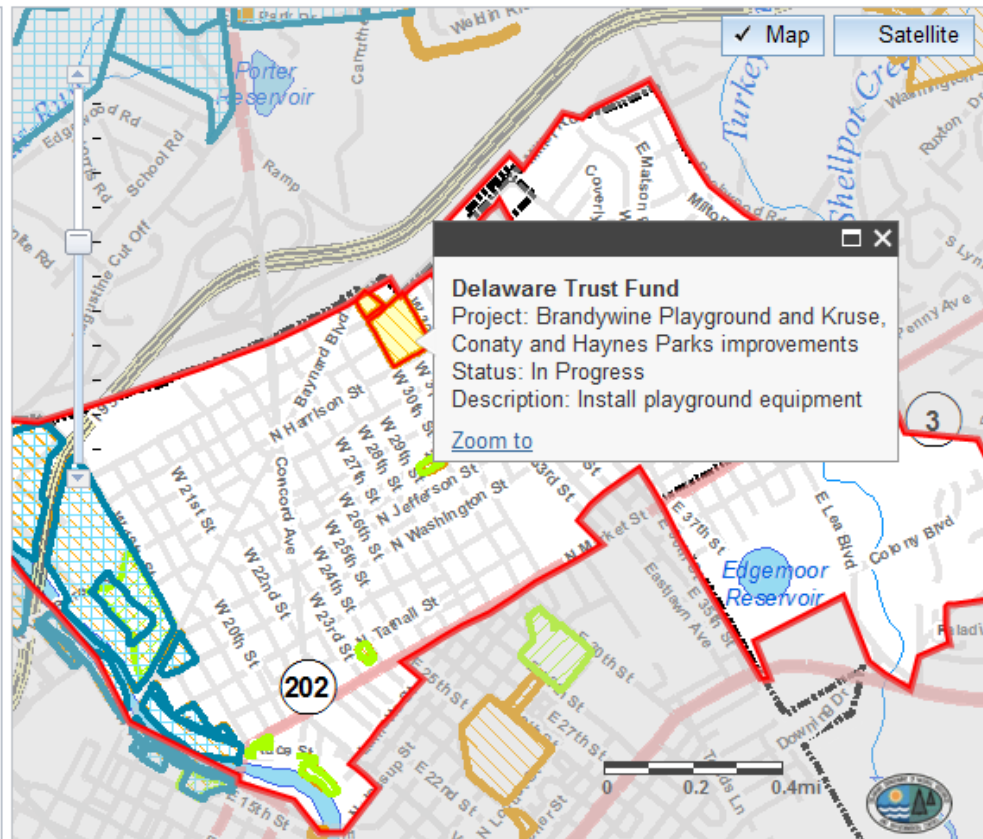
Land and Water Conservation Fund



Delaware Trust Fund



Bay Beach Replenishment



# Delaware's Key Environmental Challenges



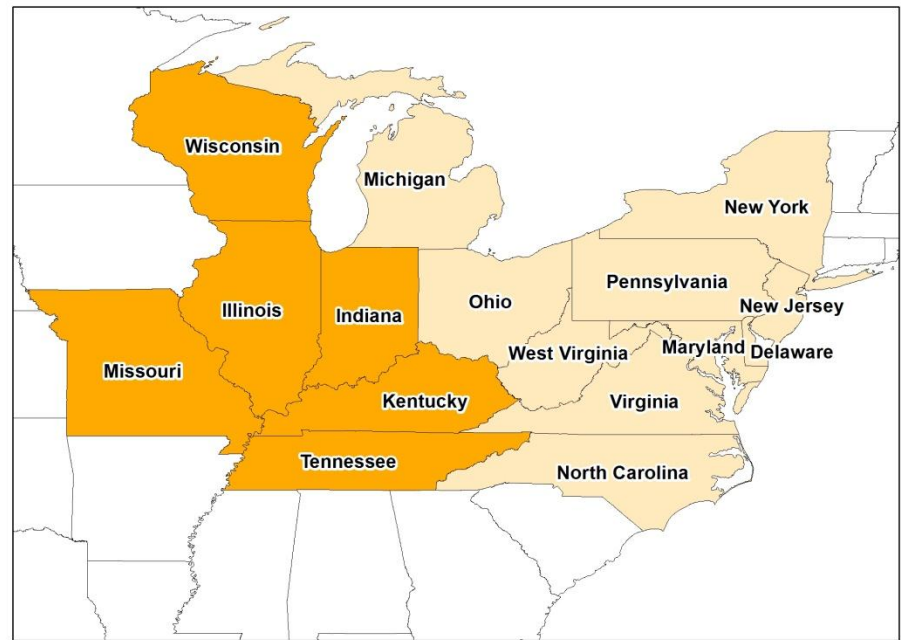
- Improving air quality & ensuring clean, reliable, cost-effective power
- Providing clean water
- Remediating contaminated sites/brownfields
- Improving state's preparedness for storms/flooding
- Providing world-class outdoor experiences
- Protecting and restoring fish/wildlife habitat

# Providing Clean Air



- Improvements at power plants, refinery, and industrial sites are reducing pollution by equivalent of taking 450,000 cars off the road
- 90% of pollution comes from upwind sources

Delaware Recommended 8-hour Ozone Non-attainment Boundaries



# Providing Clean Air



## Evraz Claymont Steel

- Issued permit for bag house/dust collector as part of implementing comprehensive pollution reduction agreement



## NRG Dover: Converting plant from coal to natural gas

- Project will reduce air emissions by more than 90 percent and create up to 75 jobs
- Replaces the last uncontrolled coal fired boiler with cleaner natural gas combined cycle unit

# Providing Clean Air



## Delaware City Refinery

- Tight pollution limits to reduce pollution by ~35%
- Investments will produce cleaner products

## Industrial Dust



- Dust control plans being implemented by businesses in Wilmington and New Castle businesses
- Companies agreed to plans covering: transportation, materials handling, processing, and boundary mitigation

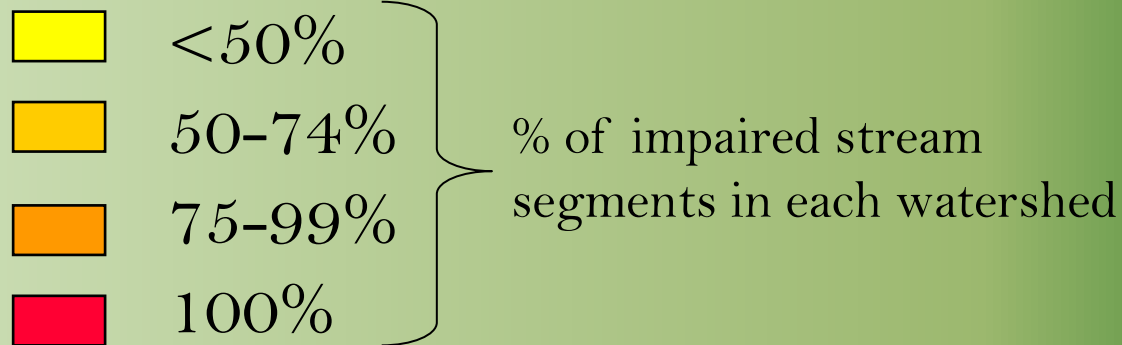
# Helping families and businesses save money



- **Energy Efficiency and Conservation Block Grant** helped 39 towns save hundreds of thousands dollars over the lifetime of the equipment.
- **Green Energy Fund** has supported 1,926 renewable energy systems (solar, wind, geothermal)
- **Weatherization program** now at full performance with 51 Delawareans working to make homes healthier/safer for low income Delawareans
- **SEU Programs/Energize Delaware:** Supported 15,967 appliance rebates; 889,917 CFLs; 3,934 home retrofits; and hundreds of business/government building upgrades

# Ensuring Clean Water

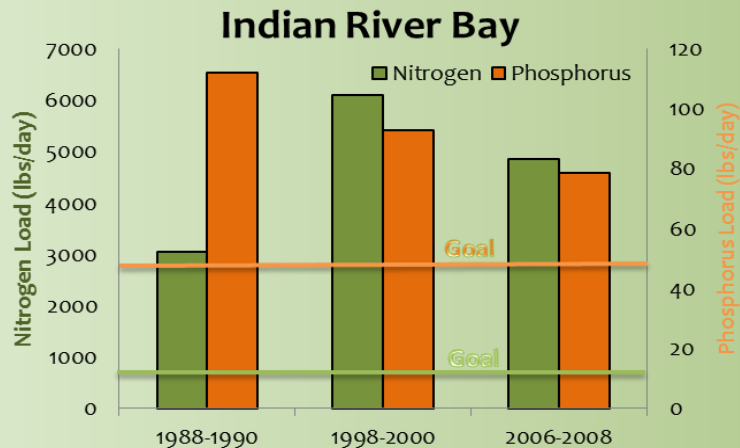
From excess nutrients (nitrogen and phosphorous) and bacteria.



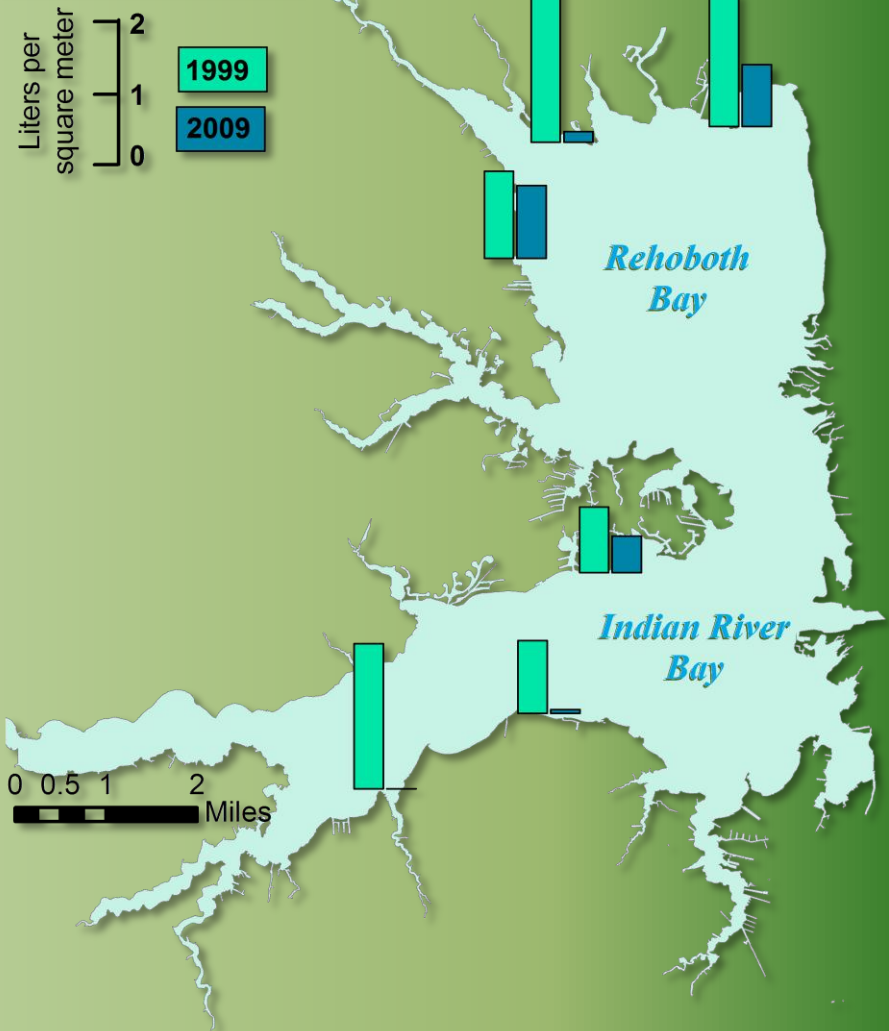
- Declining nutrient loads from all sources
- Non-point source pollution is biggest challenge

# Water Quality is Improving

➤ Biological indicators show improvement



Seaweed Abundance



# Clean Water Investments

- **Clean Water Infrastructure:** More than \$100M of construction projects underway through CWSRF
- Working with Finance and DHSS to more effectively leverage water investments
- **Conservation Cost Share Program:** \$1.5M State funds leveraged \$7M+ federal funds and produced significant reductions
- **Protecting Groundwater:** Invested \$1.2m in ARRA funds to address 17 LUST sites; cleaned up 85 LUST sites total in 2011



# Chesapeake Bay Watershed Implementation Plan (WIP)

**DRAFT**  
Delaware's Phase II  
Chesapeake Bay  
Watershed Implementation Plan



DRAFT – December 15, 2011

Assembled By:

Delaware's Chesapeake Interagency Workgroup

- Draft Phase II WIP to be delivered to EPA by March 30.
- Final 2013 Milestone Submitted to EPA on January 6
- Milestones focus: Agriculture, Wastewater, Stormwater, Planning and Land Use, Public Lands, and Communications.

# Cleaning Up Contaminated Sites

## Brownfield Remediation

- FY 12 Bond Bill funds used to remediate 23 Brownfield Sites, ranging from Habitat for Humanity Housing to a Bank and a Wawa, with \$1.4 mil spent to date.
- ROI \$17.50 for every \$1 invested



# Redeveloping Strategic Sites

## Auburn Valley/NVF

- Phase II: demolition of failing buildings on main plant site underway
- Project has leveraged \$2M+ federal funding for demolition/remediation



The critical properties necessary to fulfill the vision of the Auburn Valley Master Plan have been purchased or conserved.

## Fort DuPont

- Interagency group working on developing site master plan



# Universal Recycling



- Goal to make recycling easy
- Compliance date for single-stream recycling met before 9/15/11
- Actual revenue collected from bottle fee less than projected (working w/ Finance)
- Diversion Rate Goals by 2015
  - Solid Waste: 72%
  - Municipal Solid Waste: 50%



# Reducing Storm & Flood Damage



- 3,607 Acres of land developed throughout the state in 2011 is protected by permanent stormwater management best practices.



- 306,000 Tons of Sediment has been kept from Delaware's waterways by implementation of stormwater practices during construction.

# Reducing Storm & Flood Damage

## Repairing/Replacing Dikes and Dams

- Working with the NCC Cons. District to rebuild failing dikes: Buttonwood, Broad, Gambacorta, Army Creek & Red Lion
- This year, for the first time, all 43 state-owned, regulated dams will be inspected. All dams were re-inspected in three days after Hurricane Irene.



# Waterway Management

- 170 channel markers on State and Federal Waterways



## Beach Nourishment

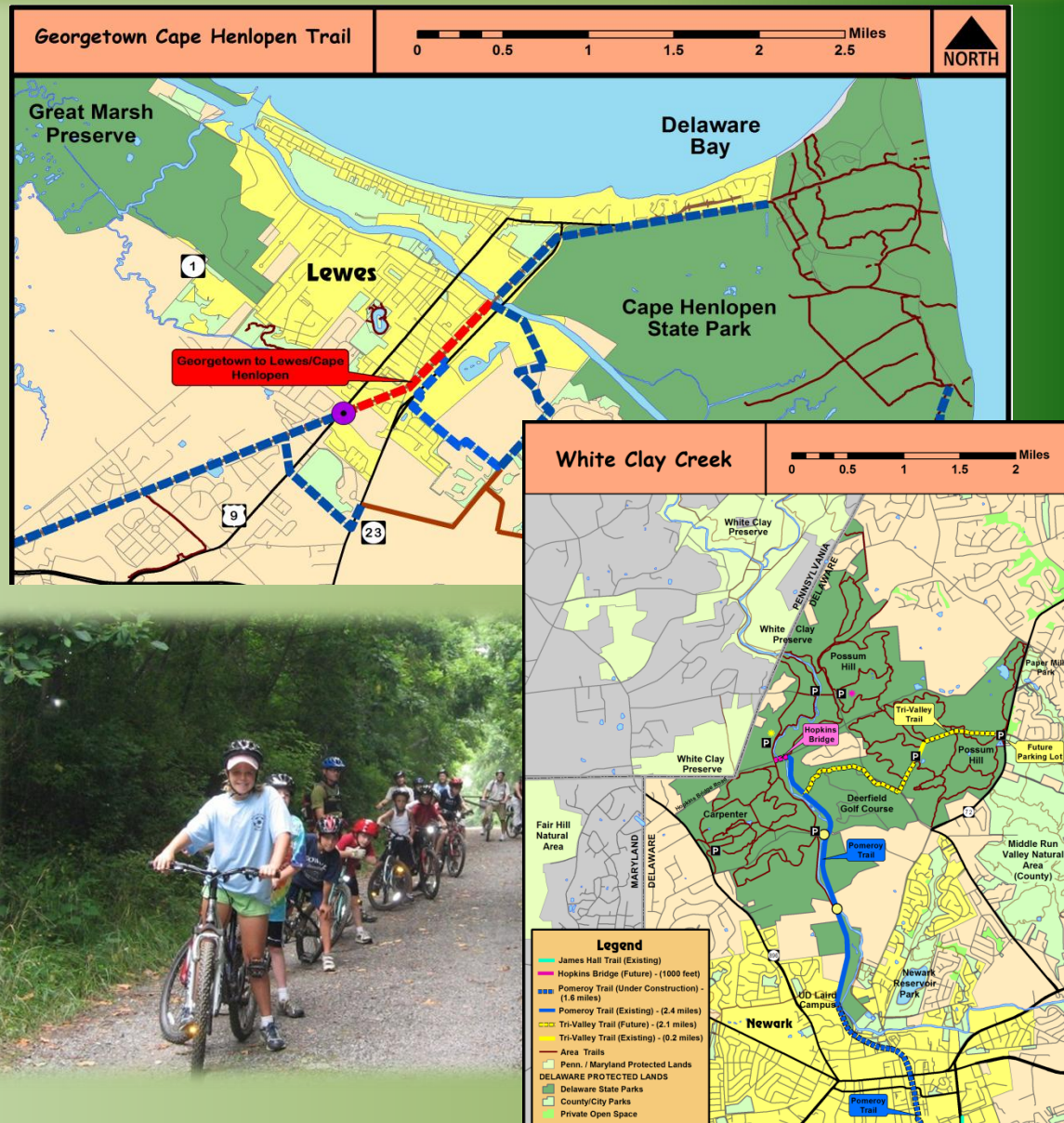
- 3,100,000 cubic yards of sand to nourish the beaches at Lewes, Rehoboth, Dewey, Bethany, S.Bethany and Fenwick beaches. Total project cost \$38,968,222. (65:35 funding ratio).



# First State Trails & Pathways Plan

## Governor's Statewide Trails Initiative:

- Interconnected trails across all three counties
- Initiative supports job creation, community connections, recreation, transportation, healthy families

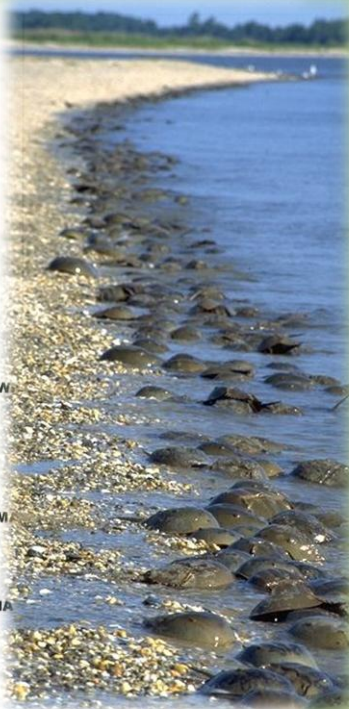
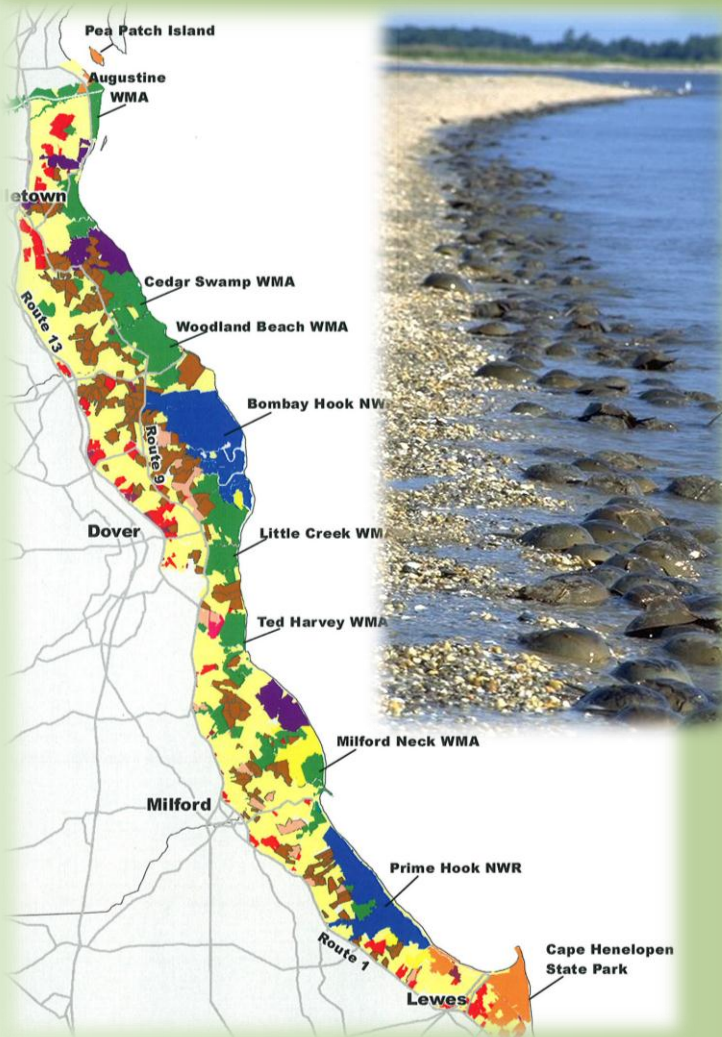


# No Child Left Inside

- Children in Nature Taskforce developing recommendations
- Average Delaware child: 44 hours of screen-time/week
- Partnership with DOE, DHSS, Nemours, DNS, UD, USFWS



# Restoring Fish and Wildlife Habitat & Expanding Ecotourism



## ➤ Delaware Bayshore Initiative:

- Habitat conservation/restoration
- Low-impact recreation/ecotourism
- Connecting local communities
- Partnership with TNC, DNS, DWL, DOS, TCF, PDE, etc.



# Celebrating a Century of Conservation Success

Oyster Planting - 2011



*RADFORD Artificial Reef Deployment – 2011  
Photo by Gary Cooke*



Active Oyster Harvest - 1924



Recreational Fishing Boat - 1976

# Natural Resources Police & Emergency Services

